DIVISION OF INSPECTOR GENERAL
Ken Burke, CPA
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Pinellas County, Florida

FOLLOW-UP AUDIT OF AGREEMENTS WITH PARKS & CONSERVATION RESOURCES NONPROFIT ORGANIZATIONS

An Accredited Office of Inspectors General

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June 7, 2019

The Honorable Chairman and Members of the Board of County Commissioners

We have conducted a Follow-Up Audit of Agreements with Parks & Conservation Resources (PCR) Nonprofit Organizations. The objective of our review was to determine the implementation status of our previous recommendations.

Of the 38 recommendations contained in the audit report, we determined that 22 have been implemented, 11 have been partially implemented, and five are no longer applicable. The status of each recommendation is presented in this follow-up review.

We appreciate the cooperation shown by the staff of PCR and the Nonprofit organizations during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive

Approved:

Ken Burke, CPA*
Clerk of the Circuit Court and Comptroller
Ex Officio County Auditor
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An Accredited Office of Inspectors General

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ACRONYMS & ABBREVIATIONS

PCR	Parks and Conservation Resources
FS617	Florida Not For Profit Corporation Act
FS496	Florida Solicitation of Contributions Act
PCHS	Pinellas County Historical Society, Inc.
FBGF	Florida Botanical Gardens Foundation, Inc.
FOBCP	Friends of Brooker Creek Preserve, Inc.
FOWI	Friends of Weedon Island, Inc.
FOFDS	Friends of Fort De Soto, Inc.
PT	Pinellas Trails, Inc.
OFI	Opportunities for Improvement
501c3	Tax-Exempt Nonprofit Organization
ADA	Americans with Disabilities Act
AWIARE	Alliance for Weedon Island Archaeological Research and Education
FPAN	Florida Public Archaeology Network

INTRODUCTION

Scope and Methodology

We conducted a follow-up audit of the agreements between PCR and a selected group of Nonprofit organizations. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The purpose of the original audit was to determine if:

1. The Nonprofit organizations were in compliance with the Florida Not For Profit Corporation Act (FS617).
2. The Nonprofit organizations were in compliance with the Internal Revenue Service.
3. The Nonprofit organizations were in compliance with the Florida Department of Revenue.
4. The Nonprofit organizations were in compliance with the Florida Solicitation of Contributions Act (FS496).
5. The internal controls over the approval and execution of agreements between PCR and Nonprofits were adequate.
6. The PCR and Nonprofits were fulfilling their agreement obligations and objectives/work plans are achieved.
7. The internal controls over money handling from revenue collection and expenditure processing were adequate.
8. A conflict of interest existed between PCR, the Nonprofit organizations, and other associated parties.
9. The relationship between PCR and Pinellas Trails, Inc. would benefit from a formal agreement.

To determine the current status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the implementation of the recommendations for improvement.

Our follow-up audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General,* and, accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the months of March and April 2019. The original audit period was October 1, 2010 to May 31, 2016. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

Of the 38 recommendations in the report, we determined that 22 were implemented, 11 were partially implemented, and five were no longer applicable. We commend Management for implementation of our recommendations and encourage Management to continue implementing the remaining recommendations.

Implementation Status Table

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
1	***There Are Opportunities For Improvement In The PCR/Nonprofit Operational Agreements.***					
A	PCR Management provide a written explanation should a project submitted by a Nonprofit be declined.	✓				
B	PCR Management incorporate PCR's, FBGF's, and PCHS's vision and mission statements in the respective operational agreements as these statements should be the driving force behind the establishment of the agreements and a reminder of the parties' common goals.			✓		
C	PCR Management ensure the Nonprofits submit required annual documentation timely.	✓				
D	PCR Management review the submitted documentation timely and provide feedback when applicable.			✓		
E	PCR Management collaborate with Nonprofits to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.	✓				
F	FBGF Board of Directors submit the required annual documents to PCR timely.					✓
G	FBGF Board of Directors incorporate in their annual work plans consistent monetary resources to maintain FBGF sponsored projects and/or assets.					✓
H	FBGF Board of Directors collaborate with PCR to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.	✓				

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
I	FOBCP Board of Directors incorporate in their annual work plans consistent monetary resources to maintain FOBCP sponsored projects and/or assets.	✓				
J	FOBCP Board of Directors collaborate with PCR to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.	✓				
K	FOWI Board of Directors incorporate in their annual work plans consistent monetary resources to maintain FOWI sponsored projects and/or assets.	✓				
L	FOWI Board of Directors collaborate with PCR to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.	✓				
2	***PCR Does Not Maintain And Oversee Records Submitted By The Nonprofits.***					
A	PCR Management establish and maintain a centralized repository to store records pertaining to the respective Nonprofit agreements. The repository should contain: • The liaison's observations and documentation of agreement performance deficiencies and subsequent cure process (if applicable). • Proof of insurance (when applicable). All administrative files relating to the agreements including compliance with public records retention policies.			✓		
B	PCR Management amend the agreements to elaborate on the County's responsibilities with regards to the maintenance of records submitted by the Nonprofits.			✓		
3	***Heritage Village Needs Staff With Specialized Skills To Meet Their Responsibilities As Laid Out In The PCR/PCHS Agreement.***					
	PCR Management appoint staff with the necessary skills to appropriately restore, maintain, protect, and efficiently	✓				

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	showcase the artifacts and structures placed in Heritage Village's care.					
4	***Internal Controls Over Checks Received At The FBGF Are Not Sufficient.***					
A	FBGF Board of Directors develop and implement a procedure to log all checks upon receipt. This procedure is part of the FBGF Guidelines for Fiscal Procedures, but not part of their more current Financial Policies and Procedures approved July 29, 2015.			✓		
B	FBGF Board of Directors follow its policy to lock up undeposited checks at the end of each business day.	✓				
5	***Internal Controls Over Cash Collection Processes At The FBGF Are Not Adequate.***					
A	FBGF Board of Directors require two individuals to collect cash from the safe boxes, the gift cart, and the concession vendor. We recommend this requirement be added to the FBGF policies and procedures.			✓		
B	FBGF Board of Directors ensure proper segregation of duties over cash handling by: • Safeguarding the donation box key. • Requiring at least two people collect cash from the donation box. • Dividing responsibilities for cash collection, accounting, and depositing between a minimum of two individuals. Working with the FBGF's independent CPA firm, if needed.			✓		
C	FBGF Board of Directors ensure the weekly Gift Shop income is stored in the safe prior to being deposited at the bank.	✓				
6	***A Fountain Installed At The Florida Botanical Gardens Was Not Timely Maintained And Repaired.***					
	FBGF Board of Directors ensure that all artifacts funded by the FBGF and installed at the Florida Botanical Gardens are					✓

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
	timely repaired and properly maintained using FBGF resources.					
7	***The FBGF Did Not Present The Work Plan For Fiscal Year 2013 To The PCR Representative.***					
	FBGF Board of Directors ensure the annual work plan is reviewed and agreed upon with the PCR representative on an annual basis.					✓
8	***The FBGF Did Not Meet Reporting Requirements Mandated By The PCR/FBGF Operational Agreement In 2013.***					
	FBGF Board of Directors ensure timely submission of the documents required by the PCR/FBGF agreement.					✓
9	***Internal Controls Over Cash Collection Processes At The PCHS Are Not Adequate.***					
A	PCHS Board require two individuals to collect and transport cash from the donation boxes.	✓				
B	PCHS Board implement proper segregation of duties to: • Ensure the donation box key is properly safeguarded. • Require at least two individuals to collect cash from the donation box. Divide the duties of cash collection, counting, and depositing between a minimum of two individuals.	✓				
10	***Internal Controls Over Financial Transactions At The FOBCP Are Not Adequate.***					
A	FOBCP Board of Directors implement proper segregation of duties ensuring at least two individuals authorize check issuance and two different individuals are responsible for signing them, and for the bank statement reconciliation.	✓				
B	FOBCP Board of Directors develop and implement procedures to ensure proper segregation of duties for collecting and processing revenue from membership dues, fundraisers, donation boxes, and guided tours.	✓				

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
C	FOBCP Board of Directors implement procedures to ensure reimbursement checks are authorized by an individual other than the payee on the check.	✓				
D	FOBCP Board of Directors develop written policies and procedures for all functions at the FOBCP.	✓				
E	FOBCP Board of Directors require two signatures for all checks issued.	✓				
11	***Internal Controls Over Accounting Processes At The FOBCP's Nature Store Need Improvement.***					
A	FOBCP Board of Directors implement procedures to ensure the Nature Store's revenue is properly safeguarded by placing it in a safe or locked cabinet/drawer.	✓				
B	FOBCP Board of Directors develop and implement written procedures for timely accounting and deposit of the Nature Store's revenue.	✓				
C	FOBCP Board of Directors develop and implement written procedures for proper segregation of duties over the accounting and inventory processes at the Nature Store.	✓				
D	FOBCP Board of Directors implement proper segregation of duties for reimbursement check authorization.	✓				
12	***All Of The FOWI's Financial Records Are Maintained In Hard Copies Only.***					
	FOWI Board implement electronic recordkeeping of transactions in order to improve the efficiency of the budgeting process and to ensure the safeguard of financial documentation.			✓		
13	***There Are No Proper Internal Controls Over Financial Transactions At FOWI.***					
A	FOWI Board develop and implement policies and procedures for proper segregation of duties for processing expenditure transactions and reconciliation.			✓		

OFI NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS				
		Implemented	Acceptable Alternative	Partially Implemented	Not Implemented	No Longer Applicable
B	FOWI Board develop and implement policies and procedures for revenue processing.			✓		
14	***The Gift Shop's Annual Revenue Is Not Monitored And Reconciled At FOWI.***					
	FOWI Board implement policies and procedures for monthly monitoring and reconciliation of the Gift Shop's revenue.			✓		

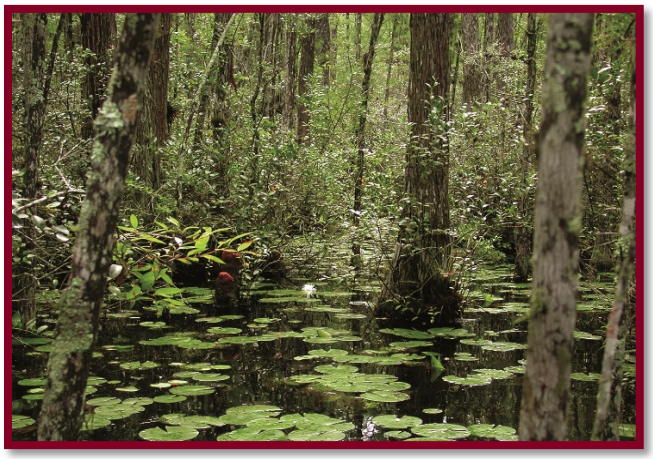
Background

Pinellas County is Florida's most densely populated County. It is located along the west coast of Florida on a peninsula separating Tampa Bay from the Gulf of Mexico. In land area, the County is small – only 280 square miles – yet its population of approximately 945,000 permanent residents makes it the sixth most populous County in Florida. The County's small size, coupled with the speed of urban growth over the past 125 years places the County in the position of becoming the first County in the state of Florida – and one of the few in the nation - to reach "build-out" status. As of September 2005, only 6% of the County remains in vacant, developable land. In response to this anticipated build-out, the County is developing new strategies to accommodate the continued population growth and the transitioning from a suburban to an urban environment.

A key component of this strategy to accommodate the continued growth is Parks and Conservation Resources' (PCR) Recreation, Open Space and Culture System. Studies throughout the United States have consistently shown that businesses and residents place a high value on "quality of life" when choosing a place to live or work, including the quality of the community's parks and preserves, trails, arts and cultural facilities, schools, and other elements of "the public realm."

Residents, County staff, and elected officials are extremely concerned about the three components of sustainability – economic development, social equity, and environmental protection. The County is continuing to do "what it does best" - leading the development of first-class County-wide systems such as preserves, historical and cultural sites, passive regional parks, greenways, trails, and beach access.

PCR maintains more than 20,000 acres of parks and preserves. Picnic shelters, camping, playgrounds, boat ramps, and trails are among the many amenities enjoyed by residents and visitors. The County's Regional Parks System includes some of the finest examples of classic, traditional passive parks anywhere in the Southeastern United States. The parks are known and treasured for their solitude; sweeping views of grass, trees and water; and timeless design.



Additionally, PCR manages the County's environmentally sensitive lands using sound resource management practices that promote the quality of ecosystems native to the County. The preserves and other managed areas are ecologically diverse properties with well-defined, resource-based public recreational amenities. Management practices focus on maintaining or enhancing the natural biological diversity. They also provide opportunities for the public to appreciate these wild lands for their intrinsic value.

Pinellas County Preserves and Management Areas are designated wild areas that are managed for the conservation, protection, and enhancement of natural and cultural resources while allowing for sustainable passive public recreational uses that are compatible with approved management plans and applicable ordinances and laws. It is desirous to acquire and preserve such lands for their unique natural resources, their diversity of native flora and fauna, their ecological, hydrological, and open space significance to the County, their scenic beauty, and the opportunity to educate citizens and visitors.

The County is also responsible for meeting the recreational needs of residents. A common theme is the need to raise countywide awareness and support for the existing Pinellas County system of non-profit arts, culture and historical preservation facilities and programs. PCR works diligently toward this goal through partnerships with municipalities and Nonprofit organizations. The focus of many of the Nonprofits that work with PCR is on the collection, preservation, interpretation and education of the history of Pinellas County. Several of these Nonprofits have focused on a specific park, preserve, or historical location to develop a one-on-one relationship and/or partnership with that location.

PCR has established agreements with multiple Nonprofit organizations to assist with the preservation and educational functions related to the strategic missions of the department. Some of the more notable partnerships that have worked with PCR are:

- 4-H Youth Development
- Alliance for Weedon Island Archaeological Research and Education (AWIARE)
- Florida Botanical Gardens Foundation
- Friends of Brooker Creek
- Friends of Fort De Soto
- Friends of the Gulf Beaches Historical Museum
- Friends of Weedon Island
- Palm Harbor Historical Society
- PIN-MAR Antique Car Club
- Pinellas County Historical Society

STATUS OF RECOMMENDATIONS

This section reports our follow-up on actions taken by management on the Recommendations for Improvement in our original audit of Agreements with Parks and Conservation Resources Nonprofit Organizations. The recommendations contained herein are those of the original audit, followed by the current status of the recommendations.

Parks & Conservation Resources (PCR)

1. There Are Opportunities For Improvement In The PCR/ Nonprofit Operational Agreements.

During our interviews with PCR management, the following issues were brought to our attention:

A. For the audit period, a Nonprofit made decisions regarding projects placed at the parks and preserves without consulting with PCR management. The operational agreements address this issue as follows:

- FBGF in *3.A. Joint Duties of the Foundation and the County* states, "*Foundation and County representatives shall annually meet and agree on the Foundation's plan of work to the extent that it involves either a commitment of County resources and facilities or requires a significant commitment of the resources of the Foundation…"*

- PCHS in *I.B.2. Responsibilities of the Historical Society* states, *"…securing approval for additions to the Collection from the Heritage Village staff…"*

- FOBCP in *C.1. Joint Duties of the Friends and the County* states, *"At least annually, the Friends and the County shall agree upon the Friends' work plan that would require a commitment of County resources; the Friends shall develop the annual work plan initially with the County's staff and then submit the annual work plan to the Division Director and the Bureau Director for review and approval; within this work plan, the Friends shall outline any required significant commitment of County resources to implement the annual work plan…"*

- FOWI in *C.1. Joint Duties of the Friends and the County* states, *"At least annually, the Friends and the County shall agree upon the Friends' general work plan that would require a commitment of County resources or facilities. The friends' work plan shall be based upon the County's forecasted projects and needs and shall be consistent with the Friends' available resources..."*

B. For the audit period, a Nonprofit installed an asset to improve the parks or preserves, but did not allocate funds to maintain and/or replace the particular asset. The operational agreements also address this issue by urging both parties to meet prior to the execution of the Nonprofits' annual work plan. Please refer to the agreement excerpts listed above.

C. For the audit period, a Nonprofit did not submit the required annual documentation to PCR. The operational agreements list a number of documents to be submitted annually as follows:

- FBGF in *1. Duties of the Foundation* states, "*During the term of this Agreement, the Foundations shall: D. Provide to the Director, on behalf of the County, the following annual financial and programmatic reports…"*

- PCHS in *I.C. Responsibilities of the Historical Society* states, *"Provide to the County its annual budget, and annual financial and programmatic reports…"*

- FOBCP in *A.4. Duties of the Friends* states, *"Provide to the County annually…a) A statement of the Friends' goals and objectives for the coming fiscal year, b) A report by the Friends containing its evaluation of the prior fiscal year's operations and programs, c) Any proposed changes…, e) An annual budget showing revenues and appropriations."*

- FOWI in *A.4. Duties of the Friends* states, *"Provide to the County annually… a) A statement of the Friends' goals and objectives for the coming fiscal year, b) A report by the Friends containing its evaluation of the preceding fiscal year's operations and programs, c) Any proposed changes…, e) An annual budget showing revenues and appropriations."*

During our fieldwork exit meeting with the Nonprofits, the following issues were brought to our attention:

A. A Nonprofit expressed they are not responsible to assist the County in the operation and maintenance of the parks and preserves; consequently, not all financial assistance requests will be granted. The operational agreements require the parties to meet prior to the Nonprofits executing their annual work plan. Doing so gives each party a chance to voice aspects of the plan they agree or do not agree on. Please refer to agreement excerpts listed above.

B. A Nonprofit expressed that PCR does not make enough time for them to discuss how the Nonprofit can help and provide them the necessary guidance to understand what is allowable per government standards. Each operational agreement addresses the County's (PCR) duties as follows:

- FBGF in *2.B. Duties of the County* states*, "During the term of this Agreement, the County shall… Publicize and support the Foundation's activities in support of the Gardens as determined by the County."*

- PCHS in *II.B. Responsibilities of the County* states, *"Provide reasonable access and use of office space to facilitate the efforts of Historical Society to support Heritage Village, as approved by the County administrator or his designee."*

- FOBCP in *B. Duties of the County* states, *"1. The Division Director, designated as the liaison… shall meet at least semi-annually with the Board of Directors of the Friends to review the Friends' activities in support of the Preserve and the Center. 2. The County shall publicize and support the mission, programs, and activities of the Friends…"*

- FOWI in *B. Duties of the County* states, *"1. The Division Director, designated as the liaison… shall meet at least semi-annually with the Board of Directors of the Friends to review the Friends' activities in support of the Preserve and the Center. 2. The County shall publicize and support the mission, programs, and activities of the Friends…"*

In summary, considering the care, maintenance, and promotion of the parks and preserves, the parties have differing priorities. There is some discord in the allocation of the donated funds. With the support of PCR, Nonprofits raise and accumulate large sums of money to benefit their respective causes; however, the expending of funds are mainly decided by the Nonprofits. PCR is having to carry the maintenance costs of assets placed by Nonprofits at the parks and preserves. Consequently, the maintenance costs create added stress to an already stretched budget. In addition, when the Nonprofits do not submit required documentation timely, it impedes PCR's ability to appropriately maintain agreement oversight.

The agreements between PCR and the Nonprofits were entered into for the following reasons:

- For the benefit of the public interest.
- To promote enriched cultural, educational, and environmental opportunities for the community at a significantly reduced cost to the taxpayers.
- For the parties to work toward the mutual support of the missions and visions of the parks and preserves.

The agreements, as they are presently written, convey that the parties' ultimate goal is to jointly care for the properties (parks and preserves). Nonetheless, our audit has revealed some issues in their execution.

We Recommended PCR Management:

A. Provide a written explanation should a project submitted by a Nonprofit be declined.

B. Incorporate PCR's, FBGF's, and PCHS's vision and mission statements in the respective operational agreements as these statements should be the driving force behind the establishment of the agreements and a reminder of the parties' common goals.

C. Ensure the Nonprofits submit required annual documentation timely.

D. Review the submitted documentation timely and provide feedback when applicable.

E. Collaborate with Nonprofits to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.

We Recommended the FBGF Board of Directors:

F. Submit the required annual documents to PCR timely.

G. Incorporate in their annual work plans consistent monetary resources to maintain FBGF sponsored projects and/or assets.

H. Collaborate with PCR to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.

We Recommended the FOBCP Board of Directors:

I. Incorporate in their annual work plans consistent monetary resources to maintain FOBCP sponsored projects and/or assets.

J. Collaborate with PCR to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.

We Recommended the FOWI Board of Directors:

K. Incorporate in their annual work plans consistent monetary resources to maintain FOWI sponsored projects and/or assets.

L. Collaborate with PCR to reach an understanding in order to fulfill both parties' common goals and respective missions. The parties should find a way to use the periodic PCR/Nonprofit meetings effectively and efficiently.

Status:

A. **Implemented**. PCR Management has not denied a project request, but has updated their procedures to provide a written explanation should a project request be denied.

B. **Partially Implemented**. PCR Management has incorporated vision and mission statements into new agreements with Nonprofits; therefore, the vision and mission statements will be included in the FBGF and PCHS agreements upon agreement renewal.

C. **Implemented**. Nonprofits have been continuously submitting required annual documentation timely.

D. **Partially Implemented**. PCR Management stated timely review of submitted documentation is occurring, but could not provide supporting documentation. PCR Management has created a new format for annual reports that requires the Nonprofit Chair/Director as well as the Director of PCR to sign and date the reports.

E. **Implemented**. Active collaboration between PCR and Nonprofits is occurring through monthly and annual meetings.

F. **No Longer Applicable**. The FBGF has been working with PCR since early 2018 to renew their agreement. Due to negotiation issues, the previous agreement had lapsed and a new agreement is not currently in place. Despite the lapse, FBGF has continues to operate in good faith and has been submitting the annual documents to PCR in a timely manner.

G. **No Longer Applicable**. The FBGF has been working with PCR since early 2018 to renew their agreement. Due to negotiation issues, the previous agreement had lapsed and a new agreement is not currently in place. While the FBGF has incorporated into their annual work plans consistent monetary resources to maintain some FBGF sponsored projects and/or assets, the FBGF is advocating in current negotiations that PCR absorb the main responsibility for maintenance costs for major projects and assets.

H. **Implemented**. The FBGF meets monthly with PCR Resource Operations.

I. **Implemented**. The FOBCP has incorporated into their annual work plans consistent monetary resources to maintain FOBCP sponsored projects and/or assets.

J. **Implemented**. The FOBCP meets with PCR staff on an as needed basis.

K. **Implemented.** The FOWI has incorporated into their annual work plans consistent monetary resources to maintain FOWI sponsored projects and/or assets.

L. **Implemented.** FOWI and PCR meet on an annual and bi-monthly basis.

2. PCR Does Not Maintain And Oversee Records Submitted By The Nonprofits.

Through our preliminary document requests, we noted the County reached out to the Nonprofits to ask for documents they should have had on hand. We determined PCR does not maintain the records submitted by the Nonprofits.

The agreements between the Nonprofits and the County require the Nonprofits to submit certain documents to the County annually and/or periodically. The agreements only reference the Nonprofits' record retention duty. Although not stipulated in the agreements, the County should be reviewing and maintaining those documents as they are submitted; doing so is considered best practice.

Florida Botanical Gardens Foundation, Inc. (FBGF)

The documents requested from the PCR liaison were acquired directly from FBGF and included:

- FBGF 2014 Financial Statement and Audit
- FBGF Articles of Incorporation
- FBGF Bylaws

Friends of Weedon Island, Inc. (FOWI) and Friends of Brooker Creek Preserve, Inc. (FOBCP)

The PCR liaison for FOWI and FOBCP advised us that the documents are missing due to a departmental reorganization between 2010 and 2011. The liaison stated that both FOWI and FOBCP switched to the County Fiscal Year in 2011 and that's when the new PCR staff were able to get back on track with acquiring the documents for FOWI and FOBCP. We reached out to the respective organizations for the missing documents.

The outstanding documents we obtained from FOWI included:

- FOWI 2014 Annual Budget
- FOWI 2010, 2011 and 2014 Annual Statement of Goals
- FOWI 2010-2014 Annual Report
- FOWI 2011-2014 Work Plan
- FOWI 2010-2014 Financial Statements

The outstanding documents we obtained from FOBCP included:

- FOBCP 2010-2014 Annual Budget
- FOBCP Articles of Incorporation

There is a lack of recordkeeping at the County level, which suggests a lack of agreement oversight and can result in the County's interest not properly looked after. Consequently, the County may become exposed to potential risks and liabilities. Lack of agreement administration may also result in parties not complying with the agreement and/or duplication of effort. There is also the potential risk of loss of records in the event the Nonprofit(s) dissolves.

Section 9.4 of the Purchasing Department's Policies and Procedure Manual spells out the originating department's responsibilities in the contract review process, which include, "… *provide contract administration in accordance with approved policies and guidelines including*

monitoring performance, documenting Contract performance deficiencies and subsequent cure process if applicable, securing proof of insurance, maintaining the administrative file relating to the Contract including compliance with public records retention policies, and monitoring Contract term expiration, in conjunction with the Purchasing Department for Purchasing Contracts." PCR is the originating department in this instance.

There should be a system in place to ensure consistency and continuity in recordkeeping despite any changes in staff on the County's side. The purpose of requesting the documents from the Nonprofits should be to review them, monitor that they are keeping their end of the agreement, looking out for the interest of the County, and for record retention.

We Recommended PCR Management:

A. Establish and maintain a centralized repository to store records pertaining to the respective Nonprofit agreements. The repository should contain:

- The liaison's observations and documentation of agreement performance deficiencies and subsequent cure process (if applicable).
- Proof of insurance (when applicable).
- All administrative files relating to the agreements including compliance with public records retention policies.

B. Amend the agreements to elaborate on the County's responsibilities with regards to the maintenance of records submitted by the Nonprofits.

Status:

A. **Partially Implemented.** PCR has hired a Grants Coordinator/Contracts Administrator who is in the process of creating a centralizing repository.

B. **Partially Implemented.** PCR is amending agreements as they are renewed.

3. Heritage Village Needs Staff With Specialized Skills To Meet Their Responsibilities As Laid Out In The PCR/PCHS Agreement.

From Fiscal Years 2007 to 2009, Heritage Village was operating with a permanent staff of at least 12 people, with skills specific to the needs of the museum. From Fiscal Years 2010 through 2015, the department operated with four people or less. As of January 2016, Heritage Village's staff hold the following positions: Museum Operations Manager, Project Management Specialist I, Museum Specialist, and Curator of Collections. Since the filling of the Curator of Collections position in January 2016, Heritage Village has been able to contain further damage and loss of artifacts by:

- Monitoring and tracking light and other environmental factors in buildings and exhibits.
- Rotating artifacts on and off display so as to prevent permanent damage.
- Implementing an integrated pest management program.
- Implementing annual detail cleaning of all historic buildings.
- Tracking locations of collection items in historic buildings or exhibits in the database.
- Maintaining proper catalog records and inventories for museum objects.
- Creating appropriate storage areas for collections not on display and addressing new housing concerns as needed.
- Addressing collections requiring conservation treatment to prevent further deterioration.
- Addressing, managing, and resolving collections backlog (either cataloging or items 'found in the collection').

Heritage Village relies heavily on volunteers to assist with caring for and preserving the collections, to greet and direct the guests, and to perform administrative work among other things. Staff reduction during Fiscal Year 2010 has been a major factor in the inability to promptly and effectively restore, maintain, and protect the artifacts and structures placed in Heritage Village's care.

Volunteers providing clerical support at the Visitor Center work at most three hours per month; realistically and logistically it is not possible to keep them abreast of the flow of new information that is necessary to keep the museum operating smoothly. Consequently, current staff is continually interrupted by the volunteers with questions that a staff person could answer. The frequent interruptions take staff away from their daily duties. In that respect, management has expressed the need for paid clerical support, which would provide a more consistent presence at the Heritage Village Visitor Center and a more accurate flow of information to guests.

Heritage Village oversees a collection of 33 historical attractions, including 27 historic structures and features. Heritage Village has a lead volunteer playing the role of a Preservation Carpenter. This position requires specialized skills, and thus, PCHS has paid for some training for the lead volunteer. Nonetheless, some skills are still lacking to ensure the appropriate and effective care of the structures and features. A trained Preservation Carpenter would be able to fulfill that role.

One of the reasons the January 1988 trust between the PCHS and the County was signed was to ensure the preservation of the artifacts, collections, and other features for the general public. Management of the collection includes accessibility and educational components. One of the ways this is accomplished is through the docent program headed by a lead administrative support volunteer who works limited hours. A Museum Educator would be ideal for the purpose of training the docents, interpreters, and demonstrators serving the public. Furthermore, according to the Heritage Village management, having a person in that position would allow the museum to gain intellectual control over the props and education collection, an area that is currently not tracked or used to its potential.

The PCR/PCHS agreement lists one of the duties of the County is to, "*Manage and care for the Collection held in trust by the Historical Society*."

Heritage Village's Guide to the Archives & Library stipulates that Heritage Village's mission is, "…t*o collect, preserve and interpret the history of Pinellas County within the context of Florida history."*

In addition, the 1988 Trust agreement between PCHS and the County states that Heritage Village (formerly Heritage Park), "… *shall use and exert its best efforts to care for, preserve, maintain, repair or restore the articles and artifacts encompassed by this trust in accordance with standard methods and policies generally adopted and practiced by museums of like character*."

In order to fulfill its responsibilities as listed above, Heritage Village requires staff with specialized skills. Interviews with management has revealed the need for the following key personnel to ensure the artifacts and structures are properly and effectively preserved, inventoried, and showcased:

- A Preservation Carpenter: to lead the volunteers and adequately identify, evaluate, treat, and document the preservation work done on the historic structures and features while ensuring that proper methods and materials are used.

- A Clerical Support Staff: to provide a consistent and professional front line presence during operating hours, provide clerical support to professional staff, and provide potential donors with required paperwork and information.

- A Museum Educator: to train, supervise, and evaluate the Heritage Village docents, interpreters, demonstrators, and interns serving the public.

We Recommended PCR Management:

Appoint staff with the necessary skills to appropriately restore, maintain, protect, and efficiently showcase the artifacts and structures placed in Heritage Village's care.

Status:

Implemented. PCR has filled a Curator of Education position to appropriately restore, maintain, protect, and efficiently showcase the artifacts and structures placed in Heritage Village's care

Florida Botanical Gardens Foundation, Inc. (FBGF)

The Florida Botanical Gardens inspires and educates visitors by showcasing flora, fauna, and natural resources in motivational surroundings that promote environmentally friendly techniques. The Florida Botanical Gardens has 90 acres of managed wetland, pine flat woods, oak forest, and critically endangered scrubland. Approximately 60 acres on the east side of the Gardens have been set aside as the natural area. The southern 30 acres is being restored to a more wild area after a century of human disturbance. Over 150 types of birds, mammals, and reptiles have been documented on site. Several endangered or threatened species including bald eagles, gopher tortoises, and Sherman fox squirrels make their home here. There are also a number of threatened or endangered plants found on site. The preservation and educational functions of the Botanical Gardens are partially made possible by the devoted FBGF.

The FBGF is a fundraising entity (501c3) created to provide leadership and financial support for the Florida Botanical Gardens. The FBGF began as the Friends of the Gardens in 1993 for the purposes of encouraging interest in and support for a botanical garden in Pinellas County.

The Friends of the Florida Botanical Gardens, Inc. became the FBGF in 2003 as a cooperative public private partnership with the intent to enrich the cultural and educational opportunities of the community at a significantly reduced cost to the taxpayers. The FBGF has successfully partnered with Pinellas County to maintain, expand, and improve the Gardens since then.

FBGF Financial Snapshot as of September 30, 2014	
Revenues	**$483,476**
Expenditures	**$418,958**
Total Assets	**$716,204**

Mission: To create, sustain and grow a world-class botanical garden.

Recent Accomplishments:

- Completed the Children's Trail, which includes an exciting educational walk through the Gardens searching for butterflies to wildlife.

- Added The Vinery that highlights multiple vines that grow in our habitat.
- Expanded the Tropical Fruit Garden, a 4,000 sq. foot addition has allowed to display a large variety of fruit trees.
- Expanded the Butterfly Garden; increased to over 7,000 sq. feet, this garden is now one of the largest outdoor butterfly gardens in Florida.

- Renovated a large portion of the west side gardens to include the entrance, ADA compliant walkways, and new plantings.
- Renovated the Pond Demonstration Area. The FBGF took over this area, which was slated to be closed, and brought it back to its original beauty with clear walkways and benches.
- Restored painted benches and chairs.

- Replaced the Peach Path allowing for a safer ADA compliant walkway.
- Removed the shell pathways and replaced with concrete ADA compliant walkways throughout the east gardens.

4. Internal Controls Over Checks Received At The FBGF Are Not Sufficient.

A. Checks Arriving At The FBGF Office Are Not Logged Upon Receipt.

Checks received at the Florida Botanical Gardens Foundation, Inc. (FBGF) office are stamped and stored in a bin at the office until the Treasurer collects them, writes up a bank deposit slip, and makes the deposit at the bank.

Sponsorship and membership checks received at the office are not logged upon receipt. Individuals responsible for depositing the membership and sponsorship checks at the bank cannot verify that all received checks are accounted for if the checks are not logged. Consequently, checks may not be deposited timely or not deposited at all. An important internal control is to log all checks upon receipt to ensure all checks are accounted for.

Furthermore, the FBGF Guidelines for Fiscal Procedures state, "*All mail containing checks that is received at the Extension Office for the Foundation shall be opened by 2 people. Any money shall be logged in, detailing the purpose of the check and to whom it is to be delivered and the receipt of the check shall be acknowledged by a signature of the recipient*."

B. Undeposited Checks Are Not Adequately Safeguarded At The FBGF Office.

Checks received are stored in the bin at the FBGF office overnight; undeposited checks are not locked up at the end of the business day as required. According to the FBGF Financial Policies and Procedures approved July 29, 2015, "*Control Over Checks, Credit Card Transactions and Cash*" section, "*Undeposited checks and credit card payment information will be locked up at the close of each business day*." Undeposited checks that are not properly safeguarded may be lost or stolen.

We Recommended the FBGF Board of Directors:

A. Develop and implement a procedure to log all checks upon receipt. This procedure is part of the FBGF Guidelines for Fiscal Procedures, but not part of their more current Financial Policies and Procedures approved July 29, 2015.

B. Follow its policy to lock up undeposited checks at the end of each business day.

Status:

A. **Partially Implemented.** The FBGF currently logs checks received for memberships. Management is planning to propose to the Board that all checks, including those received from donations, are logged.

B. **Implemented.** Checks received at the FBGF are locked in the FBGF safe after being stamped for deposit on a daily basis.

5. Internal Controls Over Cash Collection Processes At The FBGF Are Not Adequate.

The following inadequate internal controls over the cash collection process exists at the Florida Botanical Gardens Foundation, Inc. (FBGF):

A. There Is A Lack Of Segregation Of Duties For Cash Collection.

One FBGF board member is responsible for collecting cash donations from three collection points and the gift cart at the Florida Botanical Gardens during the Holiday Lights in the Gardens event. This individual walks alone to each table and picks up cash donations from the small safe box where volunteers deposit suggested entrance donations. The individual carries cash alone back to the FBGF office where it is accounted for by two board members. The average daily donation in Fiscal Year 2014 was $3,622, but on weekends can surpass $8,000 in one day. Gift cart sales average an additional $215 daily. In addition, one board member is responsible for collecting cash from the vendor operating a concession stand at the Florida Botanical Gardens.

Cash is not adequately safeguarded during the collection process, which may result in cash being misplaced or misappropriated. Appropriate internal controls for cash handling require proper safeguarding of cash where there should never be one individual collecting and transporting cash alone.

B. There Is No Proper Segregation Of Duties For Handling Cash From The Donation Box At The FBGF.

The Gift Shop Manager is responsible for safeguarding the donation box key, collecting cash from the donation box, accounting for the cash, preparing a deposit slip, and depositing cash at the bank. Since only one individual is responsible for the deposit box cash handling, an opportunity exists for the cash to be lost or stolen.

One individual should not be responsible for the entire cash collection process from collecting cash to preparing a deposit for the bank and making the deposit. Proper segregation of duties dictates the individual collecting cash should be different from the individual responsible for counting collected cash and preparing the deposits.

Under the section, "*Segregation of Duties*", the FBGF Financial Policies and Procedures approved on July 29, 2015 state, "*It is the policy of the Foundation to work with the Foundation's independent CPA firm to ensure adequate segregation of duties exist*." The FBGF's prior Guidelines for Fiscal Procedures did not address segregation of duties.

C. There Is No Proper Safeguarding Of The Weekly FBGF Gift Shop Income.

The weekly Gift Shop income deposit is prepared Monday morning and deposited by the Gift Shop Manager after her shift ends at 3 p.m. In the meantime, the deposit is stored in the Gift Shop Manager's purse in the locked PCR office.

The weekly Gift Shop income is not properly safeguarded. Therefore, a risk of loss or theft exists. Weekly Gift Shop income should be properly safeguarded in the safe at the FBGF office prior to depositing at the bank.

We Recommended the FBGF Board of Directors:

A. Require two individuals to collect cash from the safe boxes, the gift cart, and the concession vendor. We recommend this requirement be added to the FBGF policies and procedures.

B. Ensure proper segregation of duties over cash handling by:

- Safeguarding the donation box key.
- Requiring at least two people collect cash from the donation box.
- Dividing responsibilities for cash collection, accounting, and depositing between a minimum of two individuals.
- Working with the FBGF's independent CPA firm, if needed.

C. Ensure the weekly Gift Shop income is stored in the safe prior to being deposited at the bank.

Status:

A. **Partially Implemented.** The FBGF stated their practice of cash collection involves using two staff or volunteers; however, the updated FBGF policies and procedures do not specify two individuals must collect and count the cash from the safe boxes.

B. **Partially Implemented.** The FBGF stated their practice over cash handling has appropriate segregation of duties; however, the updated FBGF policies and procedures do not adequately address the segregation of duties over cash handling.

C. **Implemented.** Nightly Gift Shop income is stored in the FGBF safe.

6. A Fountain Installed At The Florida Botanical Gardens Was Not Timely Maintained And Repaired.

The Florida Botanical Gardens Foundation, Inc. (FBGF) signed an agreement with two artists for the design and installation of a fountain at the Florida Botanical Gardens at a cost of $8,000. The fountain was installed in April of 2014.

The fountain was intended to beautify the Gardens; unfortunately, the FBGF did not ensure timely repair and maintenance of the fountain. As a result, the fountain became inoperable and dilapidated. Since the fountain is located on County property, visitors could perceive the County does not properly maintain the Gardens.

On July 20, 2013, an artist agreement was signed between the FBGF and the artists, Owen Pach and Jonathan Schrok, to create an original sculpture (Art Work) to be installed at the Florida Botanical Gardens. The following conditions, regarding the maintenance and repairs, were established:

"6. Maintenance and Repairs

a. Artists agree to provide necessary maintenance for the Art Work for a period of one year commencing immediately after the installation and the transfer of the title…

b. Any supplies and materials required for the maintenance of Art Work will be at Artists expense for a period of one year.

c. Artists agree to provide support and maintenance for the Art Work after the first year. The cost of the support and maintenance including supplies and materials

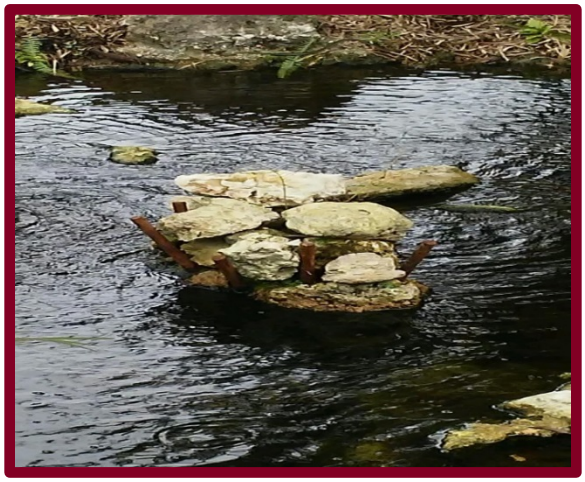
that are required will be paid by FBGF upon receipt of an invoice from the Artists…

g. If the third party equipment and/or assemblies utilized in circulation of water (such as the pump) fail after expiry of their warranty period given by the manufacturer, FBGF will replace the equipment at no cost to Artists.

8. Warranties

c. Artists will not be responsible for the equipment utilized for the water circulation assemblies, including but not limited to the pump, piping and any other equipment that might be utilized. Artists will provide (if any) FBGF any warranties that are given from the third party manufacturers to the Artists at the time of purchase of such equipment."

During our exit meeting with the FBGF Board of Directors in July 2016, we were advised the fountain had been removed. The following pictures capture the area post removal of the fountain.



We Recommended the FBGF Board of Directors:

Ensure that all artifacts funded by the FBGF and installed at the Florida Botanical Gardens are timely repaired and properly maintained using FBGF resources.

Status:

No Longer Applicable. The FBGF has been working with PCR since early 2018 to renew their agreement. Due to negotiation issues, the previous agreement had lapsed and a new agreement is not currently in place. While the FBGF has incorporated into their annual work plans consistent monetary resources to maintain some FBGF sponsored projects and/or assets, the FBGF is advocating in current negotiations that PCR absorb the main responsibility for maintenance costs for major projects and assets.

7. The FBGF Did Not Present The Work Plan For Fiscal Year 2013 To The PCR Representative.

The Parks and Conservation Resources (PCR) representative and the Florida Botanical Gardens Foundation, Inc. (FBGF) did not review and agree on the 2013 FBGF work plan as required by the PCR/FBGF agreement.

The agreement between PCR and the FBGF, signed on December 3, 2003, contains the following provision:

"Joint Duties of the Foundation and the County.

A. *Foundation and County representatives shall annually meet and agree on the Foundation's plan of work to the extent that it involves either commitment of County resources and facilities or requires significant commitment of resources of the Foundation including:*

   (i) *Major fund raising events and campaigns and their purposes*
   (ii) *Capital projects, including land acquisition, construction, renovations or repairs, as well as programmatic support; and*
   (iii) *Other major commitments of the resources of the Foundation or the County.*

B. *The Foundation shall develop the plan of work in coordination with the Director to ensure that the Foundation and the County share a common view of the mission and vision of the Gardens. The Foundation and the County may agree on multi-year projects, if necessary."*

The joint duties of the FBGF and the County spelled out in the agreement were not adhered to. Consequently, the FBGF may have items in their work plans that are not in the best interest of the County and/or the Gardens.

We Recommended the FBGF Board of Directors:

Ensure the annual work plan is reviewed and agreed upon with the PCR representative on an annual basis.

Status:

No Longer Applicable. The FBGF has been working with PCR since early 2018 to renew their agreement. Due to negotiation issues, the previous agreement had lapsed and a new agreement is not currently in place. The FBGF continues to work with PCR representatives to ensure work plans are reviewed and agreed upon

8. The FBGF Did Not Meet Reporting Requirements Mandated By The PCR/FBGF Operational Agreement In 2013.

The Florida Botanical Gardens Foundation, Inc. (FBGF) has partially fulfilled its reporting requirements for the audit period. In response to the request for the work plans and the annual reports for the audit period, the FBGF submitted all documentation from 2010-2014 with the exception of the following noted on their submission, "No annual report done for 2013."

The reporting requirements outlined in the agreement are to protect both parties and ensure that FBGF are fulfilling their duties towards the Gardens.

According to the operation agreement, the FBGF must provide to the County annually the following (among other things):

> *"An annual financial report showing the actual revenues and expenditures and ending cash balance, an annual report of the programs, operations and accomplishments of the Foundation."*

We Recommended the FBGF Board of Directors:

Ensure timely submission of the documents required by the PCR/FBGF agreement.

Status:

No Longer Applicable. The FBGF has been working with PCR since early 2018 to renew their agreement. Due to negotiation issues, the previous agreement had lapsed and a new agreement is not currently in place. Despite the lapse, the FBGF continues to provide PCR with annual documents as they work to finalize a new agreement.

Pinellas County Historical Society, Inc. (PCHS)

Heritage Village is a 21-acre living history museum located in the heart of Pinellas County. The natural pine and palmetto landscape is home to some of Pinellas County's most historic buildings. More than 28 historic structures are featured, some dating back to the 19th century, including a school, a church, a sponge warehouse, a railroad depot, a store, and a variety of historic homes. The mission of Heritage Village is to collect, preserve, and interpret the history of Pinellas County within the context of Florida history. The preservation and educational functions at Heritage Village are partially made possible by the dedicated PCHS.

PCHS Financial Snapshot as of September 30, 2014	
Revenues	**$115,621**
Expenditures	**$59,873**
Total Assets	**$315,344**

The PCHS is a fund raising nonprofit entity (501c3) founded in 1976. The PCHS has worked closely with the staff, docents, and volunteers at Heritage Village to promote the history of the Pinellas peninsula.

Mission: Support the Heritage Village's mission through membership dues, donations, fundraising, gift shop, publicity and community involvement.

Recent Accomplishments:

- Organized major events including the Country Jubilee, Trees & Traditions, Folk Festival and Antique Appraisal.

- Continued PCHS membership traditions such as two pot luck dinners and programs, the annual meeting/election of officers, breakfast, lunch, and the major Magnolia Tea.
- Organized PCHS fundraiser for the “McKay Creek Boat Shop” with the goal of raising $80,000.

- Ensured operation, staffing, purchasing, sales, and reporting of the Gift Shop.
- Funded publication and distribution of the Village Post.
- Funded the PCHS scholarship.

9. Internal Controls Over Cash Collection Processes At The PCHS Are Not Adequate.

A. Internal Controls Over The Cash Collection Process During Events At Heritage Village Sponsored By The PCHS Are Not Adequate.

During events sponsored by the PCHS at Heritage Village, one volunteer collects cash donations from donation jars located at each entrance table and transports it in an envelope to the PCHS office where the Treasurer along with several helpers count the money.

Cash is not adequately safeguarded during the collection process, which may result in the cash being misplaced or misappropriated. Appropriate internal controls for cash handling require proper safeguarding of cash where there should never be one individual collecting cash and transporting it alone.

B. There Is No Proper Segregation Of Duties For Handling Cash From The Donation Box At The PCHS.

The PCHS volunteers have unrestricted access to the donation box key. One volunteer collects cash from the donation box, counts the cash, logs the amount, and deposits it into the PCHS safe. The PCHS Treasurer retrieves cash from the safe, recounts the cash, prepares a deposit slip, and deposits the cash at the bank.

One individual is responsible for collecting cash from the donation box, counting it, and depositing it into the PCSH safe. Therefore, an opportunity exists for the cash to be lost or stolen.

Proper segregation of duties dictates that the individual collecting cash should be different from the individual responsible for counting the collected cash and preparing it for deposit. One individual should not be responsible for the entire cash collection process, which includes collecting, counting, and depositing cash into the safe. In addition, one individual should not be responsible for the entire bank deposit process, which includes retrieving cash from the safe, preparing a deposit slip, and depositing cash at the bank.

We Recommended the PCHS Board of Directors:

A. Require two individuals to collect and transport cash from the donation boxes.

B. Implement proper segregation of duties to:

- Ensure the donation box key is properly safeguarded.
- Require at least two individuals to collect cash from the donation box.
- Divide the duties of cash collection, counting, and depositing between a minimum of two individuals.

Status:

A. & B. **Implemented.** The PCHS has implemented adequate controls and separation of duties related to cash handling, including requiring two individuals to collect and transport cash.

Friends Of Brooker Creek Preserve (FOBCP)

In 1992, the Pinellas County Board of County Commissioners established Brooker Creek Preserve (Preserve). It is owned by Pinellas County Government and Southwest Florida Water Management District, but is managed by Parks and Conservation Resources (PCR). At approximately 8,700 acres, Brooker Creek Preserve is a significant conservation area in the northeastern corner of Pinellas County. It consists primarily of forested wetlands and pine flat woods. Bordered by dense urban development, the Preserve provides both a unique refuge for native flora and fauna as well as an opportunity for citizens to explore the natural beauty of wild Florida. The Preserve also serves to protect a significant portion of the Brooker Creek Watershed. A complex of hiking and equestrian trails provides visitors an opportunity to explore the Preserve's many ecosystems.

The award-winning Brooker Creek Preserve Environmental Education Center lies within the Preserve. The Education Center supports the applied management and ecological monitoring objectives of the Parks and Conservation Resources (PCR) through educational programming and volunteerism. The Education Center provides a window into natural Florida through interpretive programs and guided nature tours with educational instruction, exhibits and public outreach activities, presentations and workshops, and other events. The preservation and educational functions at the Preserve are partially made possible through the commitment of the Friends of Brooker Creek Preserve, Inc. (FOBCP).

FOBCP Financial Snapshot as of September 30, 2014	
Revenues	**$27,303**
Expenditures	**$27,470**
Total Assets	**$45,531**

The FOBCP is a fundraising nonprofit entity (501c3) incorporated in the early 1990s for the purpose of engaging in the preservation and protection of the Brooker Creek Preserve and in the education of the general public regarding the unique environment of the Preserve.

Mission: Provide public support for the Preserve through fundraising, volunteer programs, and education to ensure that the Preserve remains a natural wilderness for future generations.

Recent Accomplishments:

- Organized major events including the Fall Wildflower Festival, Owl-O-Ween, Wildlife Safari, Music Jamboree, Star Parties, Birdathon, Plain Air Paint & Photo, and Music in the Woods.
- Lead night hikes, requested group hikes, and quarterly half day hikes in areas of the Preserve normally closed to the public.
- Held "Return the Preserve Work Days" in which FOBCP volunteers remove invasive and/or exotic plants and animals.
- Maintained beehives on County park property.
- Worked on mapping and flagging a potential new route for the southern end of the Wilderness Trail.
- Held art classes, adult ecology workshops, and a wreath making class.
- Ran the Nature Store, which offers a variety of items as reminders of the Preserve or are helpful with natural history.
- Continued maintenance and planting of native wildflowers and grasses with public help on the last Saturday of each month in the Wildflower Garden.

10. Internal Controls Over Financial Transactions At The FOBCP Are Not Adequate.

A. There Is No Proper Segregation Of Duties For Check Signing At The FOBCP.

One individual is responsible for expenditure review and authorization, signing checks, and the bank reconciliation. The same individual authorized a reimbursement for the cost of administrative supplies he incurred.

There is no adequate segregation of duties for check writing, authorization, and bank statement reconciliation. Since only one individual is responsible for the check issuance process and also for the bank statement reconciliation, an opportunity exists for money to be misappropriated, misplaced, or miscalculated.

Proper segregation of duties requires that one person does not approve checks written to themselves. Also, one person should not be responsible for writing and approving checks and for the bank statement reconciliation.

B. There Is No Proper Segregation Of Duties For Handling Revenue From Membership Dues, Fundraisers, Donation Boxes, And Guided Tours At The FOBCP.

One individual collects over $17,000 per year (based on Fiscal Year 2014 figures) in cash and checks from membership dues, fundraisers, donation boxes, and guided tours, accounts for the income, writes the bank deposit slip, makes the deposit at the bank, and provides the deposit receipt to the Treasurer.

Since one individual is responsible for the entire cash collection process, there is a risk for the income to be misappropriated, misplaced, or miscalculated.

Proper segregation of duties dictates that one individual should not be responsible for the entire cash collection process including collecting, counting, preparing the deposit slip, and depositing revenue at the bank.

C. The FOBCP President Authorized Reimbursement Checks For Purchases She Made For the Nonprofit.

The check recipient authorized the reimbursement check. All reimbursements were for legitimate purchases benefitting the FOBCP. Nonetheless, there is no proper segregation of duties for reimbursement check authorization. An opportunity for error or inappropriate use of the FOBCP's checks exists.

Appropriate internal controls dictate that reimbursement checks be authorized by an individual other than the payee on the check.

D. There Are No Written Policies And Procedures For Fiscal Activities At The FOBCP.

The FOBCP Board of Directors has not developed written policies and procedures for budgeting and processing revenue and expenditures. There are, however, written policies and procedures in place for the Nature Store's operations.

Due to lack of written policies and procedures, new board members may not clearly understand their responsibilities and may not be aware of the processes currently in place, which leaves room for error.

Good business practice dictates that an organization should have written policies and procedures for all its functions to ensure appropriate internal controls are in place. Written policies and procedures allow an organization's members to clearly understand their roles and responsibilities and allow management to guide operations without constant management intervention. This is especially important for a volunteer based organization where there is a high rate of volunteer turnover and numerous individuals performing various tasks often reassigned on a daily basis.

E. Only One Signature Is Required For Check Authorization At The FOBCP.

The FOBCP Treasurer or the President are authorized to sign all checks. Only one signature is required to authorize cash disbursements. In Fiscal Year 2014, expenditures reached $27,470.

There are no written policies and procedures addressing check authorization at FOBCP. If only one signature is required for a check to be valid, checks are not protected and an opportunity for misappropriate use exists.

To ensure proper internal controls over cash disbursements, two signatures must be required on issued checks. If two individuals are required to authorize checks, the chance of a fraudulent transaction occurring decreases significantly.

We Recommended the FOBCP Board of Directors:

A. Implement proper segregation of duties ensuring at least two individuals authorize check issuance and two different individuals are responsible for signing them, and for the bank statement reconciliation.

B. Develop and implement procedures to ensure proper segregation of duties for collecting and processing revenue from membership dues, fundraisers, donation boxes, and guided tours.

C. Implement procedures to ensure reimbursement checks are authorized by an individual other than the payee on the check.

D. Develop written policies and procedures for all functions at the FOBCP.

E. Require two signatures for all checks issued.

Status:

A. - E. **Implemented.** The FOBCP have documented and implemented adequate procedures related to segregation of duties over cash collection and check disbursements.

11. Internal Controls Over Accounting Processes At The FOBCP's Nature Store Need Improvement.

A. The FOBCP's Nature Store Revenue Is Not Properly Safeguarded.

The Nature Store's income consisting of cash and checks is placed in zipper bags and stored in an unlocked cabinet during the day and overnight. Only the store's door is locked for the night. In Fiscal Year 2014, the total store revenue reached $15,220, with an average daily amount of approximately $100.

There are no procedures in place to ensure proper safeguarding of revenue at the Nature Store. Cash and checks stored in the unlocked cabinet can easily be accessed by anyone visiting the store, including maintenance and janitorial staff in the evening.

Strong internal controls require cash and checks to be properly safeguarded. Cash and checks stored overnight should be placed in a safe or under lock.

B. The FOBCP's Nature Store Revenue Is Not Accounted For And Deposited Timely.

Daily revenue from the Nature Store is stored for several weeks in an unlocked drawer in the store. The Nature Store Manager picks up the revenue once every three to four weeks, accounts for all revenue, and deposits it at the bank.

The Nature Store's "Opening and Closing Store, Cash Drawers procedure" states:

> *"The drawer labeled Weekly Receipts behind the counter to the left contains the cash drawers in black bags with the dates each is to be used. We keep 3-4 weeks in the drawer because the manager cannot always come in to pick up the sales receipts every week."*

The store's written procedures distributed to all volunteers working at the Nature Store include information that the Manager does not timely pick up revenue. Revenue unaccounted for and not safeguarded may be misplaced or misappropriated.

Strong internal controls dictate that daily store revenue is accounted for and deposited at the bank in a timely manner.

C. There Is No Proper Segregation Of Duties Over Accounting And Inventory Processes At The FOBCP's Nature Store.

A single individual, the Nature Store Manager, is responsible for writing checks, making deposits, and monthly bank statement reconciliations. In addition, the Nature Store Manager is responsible for making inventory purchases, recording inventory transactions, performing inventory counts, maintaining access to inventory, and retaining inventory records. There are no written policies and procedures to properly segregate accounting and inventory management responsibilities at the Nature Store. If a single individual is responsible for the entire accounting or inventory process, any errors or misappropriations could go unnoticed.

Segregation of duties is a strong fundamental control in accounting for revenue, expenditures, and inventory functions. Duties such as writing checks, making bank deposits, and monthly bank statement reconciliation should be assigned to separate individuals as much as possible. Also, strong internal controls dictate that there must be adequate segregation of duties among individuals involved in the inventory process. Any individual performing inventory counts should be someone other than the individual making inventory purchases, recording inventory transactions, or maintaining inventory records.

D. There Is No Proper Segregation Of Duties For The Issuance And Authorization Of Inventory Reimbursement Checks At The FOBCP's Nature Store.

The FOBCP Nature Store Manager authorizes all reimbursement checks for inventory purchased by the Board of Directors (Board) members. The Manager also authorizes reimbursement checks for the inventory she purchased.

Inventory purchases for the Nature Store are made by the Manager and other Board members using their personal credit cards. To obtain reimbursement for the inventory, each individual fills out a reimbursement form, attaches the receipt, and submits it to the Manager, who in turn reviews the supporting documentation and issues a reimbursement check. The Nature Store Manager writes and authorizes reimbursement checks to herself and other FOBCP Board members. In Fiscal Year 2014, store expenditures reached $2,028. There are no procedures established for processing reimbursement checks for the Nature Store's inventory purchases.

If one individual is responsible for authorizing reimbursement checks to them self, a risk exists that any errors or misappropriations could go undetected.

Strong internal controls dictate that an individual must not authorize a check issued to them self. There must be proper segregation of duties in place, so that the person authorizing a check is different from the check recipient.

We Recommended the FOBCP Board of Directors:

A. Implement procedures to ensure the Nature Store's revenue is properly safeguarded by placing it in a safe or locked cabinet/drawer.

B. Develop and implement written procedures for timely accounting and deposit of the Nature Store's revenue.

C. Develop and implement written procedures for proper segregation of duties over the accounting and inventory processes at the Nature Store.

D. Implement proper segregation of duties for reimbursement check authorization.

Status:

A. – D. **Implemented.** The FOBCP have implemented adequate procedures related to the processing and safeguarding of the Nature Store's revenue, as well as implemented proper segregation of duties over the accounting, inventory processes, and check reimbursement authorization.

Friends Of Weedon Island (FOWI)

Weedon Island Preserve (Preserve), at approximately 3,700 acres, is an ecological jewel within an urban landscape on the shores of Old Tampa Bay. This coastal system, comprised of aquatic and upland ecosystems, is home to numerous species of native plants and animals, an educational facility, and a rich cultural history. Weedon Island Preserve is a well-known birding and fishing site. The Preserve's fishing pier and outlying oyster bars are ideal sites for catching sea trout, snook, and sheepshead. Two self-guided paddling trails allow for exploration of the Preserve's islands and waterways. Over 4.7 miles of boardwalks and trails offer visitors an opportunity to enjoy and experience natural Florida. Weedon Island Preserve remains one of Florida's most important natural and cultural resources. Its proper management remains the priority of Pinellas County as caretaker of the Preserve. The County is committed to restoring its natural communities while teaching the public about the interrelationships between people and the environment. Through the support of citizens and the Pinellas County Board of County Commissioners, Weedon Island Preserve remains "A Place to Remember."

Nestled deep within the Preserve is the Weedon Island Preserve Cultural and Natural History Center. Dedicated to reconnecting people with the environment, the Center offers interpretive hikes, workshops, exhibits, and other programs for public enjoyment. Visitors are encouraged to visit the Center's Gift Shop, which carries cultural and natural history items. As this Preserve has so many different ecological systems and provides a diverse educational program, Weedon Island Preserve relies heavily on their Nonprofit partners. The preservation and educational functions at the Preserve are partially made possible by the devoted Friends of Weedon Island, Inc. (FOWI).

The FOWI is a non-profit entity (501c3) citizen-based organization dedicated to the preservation of the Weedon Island Preserve. Chartered on November 27, 1992, the FOWI was instrumental in working with the State of Florida, Pinellas County, and the City of St. Petersburg governments to establish what the Weedon Island Preserve is today. From its original membership of twenty seven members in 1992, membership of FOWI consists today of over one hundred members, including several key "Platinum Partner" memberships who have provided critical support to the organization over the years. One of the key accomplishments of FOWI has been its involvement with the conception, design, and construction of the Weedon Island Preserve Cultural and Natural History Center, which was dedicated in November 2002.

FOWI and the Alliance for Weedon Island Archaeological Research and Education (AWIARE) are partners in the preservation of a prehistoric canoe, a lengthy and expensive process. A specially constructed conservation tank funded by the FOWI and overseen by AWIARE held the sections of the canoe in a special bath of polyethylene glycol. Once the slow wood penetration treatment was complete, the canoe was reassembled and put on display at the Weedon Island Preserve Cultural and Natural History Center.

FOWI Financial Snapshot as of September 30, 2014	
Revenues	**$36,126**
Expenditures	**$22,576**
Total Assets	**$186,263**

Mission: To provide advancement of environmental preservation, education and any other related or corresponding charitable purpose by the distribution of its funds for such purposes; and to engage in the preservation and protection of Weedon Island Preserve and in the education of the general public regarding the unique environmental and historical aspect of the preserve.

Recent Accomplishments:

- Hosted the 5th Annual Gopher Weedon Trail Run on October 24, 2015 for 200 runners/walkers. Event also included 35 FOWI and Pinellas County volunteers. Raised more than $3,595 for FOWI and brought many first time visitors to the Preserve.

- Participated in October 17, 2015 Canoe Exhibit Grand Opening celebration. FOWI was a principal donor for the canoe preservation project.
- Provided funding in support of Sensing Nature Title I school field trips on December 1, 2015.
- Sponsored a volunteer breakfast for more than 40 Pinellas County volunteers on February 6, 2016.
- Hosted the annual FOWI membership meeting, picnic, and paddle on May 14, 2016.

- Provided funding for 20 scholarships for Wildlife Ecology and Herpetology camps held in July 2015.
- Provided refreshments for Salty Topics Marine Speaker Series and other programs at the Preserve.
- Provided speaker honorariums for invited presentations.
- Funded $1,000 for repairs to educational displays.
- Continues to serve as liaison with other non-profits such as AWIARE and the Florida Public Archaeology Network.
- Maintain the Gift Shop at the Center with increased sales from the previous years.
- Established the "Weedon Warriors" program with a group of veterans from Bay Pines who are in a recreational therapy program.

12. All Of The FOWI's Financial Records Are Maintained In Hard Copies Only.

Recordkeeping for Friends of Weedon Island, Inc. (FOWI) cash disbursements and cash receipts is paper based. Each year, the Treasurer manually calculates the disbursements and income budget. In addition, the records do not include invoices, cash receipts, or bank statements.

Overall, FOWI does not maintain their transactions in an electronic form. Consequently, annual actual budget preparation is labor-intensive and very inefficient. The hard files are the only documentation of transactions. If the hard files are destroyed, no FOWI financial data would be available.

It is a good business practice to maintain the financial transaction records in an electronic format. Transactions recorded electronically allow for ease of access to financial data for the purpose of budget preparation.

We Recommended the FOWI Board of Directors:

Implement electronic recordkeeping of transactions in order to improve the efficiency of the budgeting process and to ensure the safeguard of financial documentation.

Status:

Partially Implemented. The FOWI currently maintain bank statements in electronic format; however, all other records are retained in paper form, as resources are presently not available to scan and catalog all paper receipts.

13. There Are No Proper Internal Controls Over Financial Transactions At FOWI.

A. There Is No Proper Segregation Of Duties For Expenditure Transaction Processing And Reconciliation.

One individual is responsible for issuing checks for Friends of Weedon Island, Inc. (FOWI) expenses, check authorization, and monthly bank account reconciliation.

There are no policies at the FOWI regarding expenditure transaction processing and segregation of duties. Lack of proper segregation of duties may result in errors or misappropriation of funds.

Proper segregation of duties dictates that the individual writing and authorizing checks should be someone different than the individual responsible for monthly bank statement reconciliation. One individual should not be responsible for the entire expenditure process.

B. There Is No Proper Segregation Of Duties For Revenue Processing At FOWI.

One individual is responsible for Gift Shop, membership, and Gopher Run revenue collection. Additionally, the same individual is also responsible for accounting and depositing of the revenue.

There are no policies and procedures for revenue processing at FOWI. A lack of proper segregation of duties over revenue collection may result in errors or misappropriation of funds.

Proper segregation of duties dictates that the individual collecting payments should be different from the individual responsible for counting collected payments and preparing deposits. One individual should not be responsible for the entire revenue collection process.

We Recommended the FOWI Board of Directors:

A. Develop and implement policies and procedures for proper segregation of duties for processing expenditure transactions and reconciliation.

B. Develop and implement policies and procedures for revenue processing.

Status:

A. **Partially Implemented.** FOWI is in the process of formally documenting policies and procedures related to proper segregation of duties for processing expenditure transactions and reconciliation.

B. **Partially Implemented.** FOWI is in the process of formally documenting policies and procedures related to revenue processing.

14. The Gift Shop's Annual Revenue Is Not Monitored And Reconciled At FOWI.

The Friends of Weedon Island, Inc. (FOWI)'s Treasurer does not monitor and reconcile revenue bank deposits to the revenue reported by the Gift Shop Manager. There are no policies and procedures at FOWI to reconcile the Gift Shop's revenue.

In Fiscal Year 2014, there was a discrepancy of $158 between revenue accounted for at the Gift Shop and the revenue reported by the Treasurer in FOWI's annual budget.

Monthly revenue reported should be monitored and reconciled to the bank deposits in order to ensure all revenue is deposited and accounted for.

We Recommended the FOWI Board of Directors:

Implement policies and procedures for monthly monitoring and reconciliation of the Gift Shop's revenue.

Status:

Partially Implemented. FOWI is in the process of formally documenting policies and procedures for monthly monitoring and reconciliation of the Gift Shop's revenue.

Division of Inspector General

Ken Burke, CPA

Clerk of the Circuit Court
& Comptroller
Pinellas County, Florida

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